

May 3, 2010

Sal Ventura
International Brotherhood of Electrical Workers (IBEW)
2125 Canoas Garden Ave, Suite 100
San Jose, CA 95125

RE: Mediation Conclusion

Dear Sal:

As you know, the City and IBEW began negotiations for a successor agreement in December of 2009. From December 2009 to March 2, 2010, the City and IBEW met approximately 15 times. On March 2, 2010, the City declared impasse and on March 12, 2010, the City and IBEW engaged in mediation.

On March 23, 2010, due to the changed circumstances related to the increased budget shortfall, the City Council approved the Mayor's Budget Message with an amendment that the City seek 10% in personnel cost savings, with a minimum of 5% ongoing structured cost reductions and another 5% in cost reductions with flexibility to include one-time personnel cost savings to help save additional services.

On March 30, 2010, the City provided IBEW a letter with notice and opportunity to bargain over these changed circumstances during a mediation session we had scheduled. We agreed to continue our discussions during mediation and engaged in mediation on this day.

The City and IBEW engaged in mediation on April 8, 2010, had a meeting without the mediators on April 19, 2010, and engaged in mediation on April 30, 2010.

During the mediation session on April 30, 2010, it became clear that the parties were not able to overcome their differences, and the City again declared impasse.

It is unfortunate that the City and IBEW were unable to come to a mutual agreement. The City does not believe that further mediation sessions will be helpful since we have already participated in four mediation sessions, three of which occurred after the change in direction to a 10% total compensation reduction. Thus, the City will not be invoking the impasse procedures again. Please let us know no later than Friday, May 7, 2010, if IBEW will be invoking the impasse procedures by participating again in mediation.

Please let me know if you have any questions.

Sincerely,



Jennifer Schembri
Senior Executive Analyst

c: Alex Gurza, Director of Employee Relations